

City of Knoxville

DEFINED CONTRIBUTION PLAN(S)

PRUDENTIAL ESTIMATED REVENUE AVAILABLE FOR RECORDKEEPING EXPENSES

As of 8/29/2014

Ticker	Fund Name	Share Class*	Assets	% of Total Assets	Total Estimated Investment Revenue		Estimated Investment Revenue Available to Offset Recordkeeping & Administration Expenses						
					Exp. Ratio/ Contract Charge ¹	Annualized Cost (\$)	12b-1 Fee ²	Sub Accounting Fee ³ %Assets	Per Ptp	Finders Fee (Initial Deposits & Contributions)	Additional Contribution to Recordkeeping	Total Annual Amount %	\$
MRDVX	BlackRock Equity Dividend	R	\$3,257,622	9%	1.29%	\$42,023	0.50%	0.25%	\$0.00	0.00%	0.00%	0.75%	\$24,432
-	Dryden S&P 500 Index**	-	\$357,126	1%	0.32%	\$1,143	0.00%	0.00%	\$0.00	0.00%	0.22%	0.22%	\$786
MIRTX	MFS Massachusetts Investors Trust	R2	\$702,597	2%	0.98%	\$6,885	0.50%	0.15%	\$0.00	0.00%	0.00%	0.65%	\$4,567
SGRAX	Wells Fargo Advantage Growth	A	\$5,245,704	14%	1.18%	\$61,899	0.00%	0.00%	\$0.00	0.00%	0.55%	0.55%	\$28,851
JAMCX	JPMorgan Mid Cap Value	A	\$904,819	2%	1.25%	\$11,310	0.25%	0.30%	\$0.00	first \$4M: 1.00% \$4M-\$10M: 0.75% \$10-\$50M: 0.50% over \$50M: 0.25% †	0.00%	0.63%	\$5,655
MPSIX	Principal MidCap S&P 400 Index	Inst	\$403,222	1%	0.22%	\$887	0.00%	0.10%	\$0.00	0.00%	0.00%	0.10%	\$403
NBGAX	Neuberger Berman Genesis	Adv	\$286,124	1%	1.38%	\$3,949	0.25%	0.25%	\$0.00	0.00%	0.10%	0.60%	\$1,717
PEEAX	Prudential Jennison Mid Cap Growth	A	\$1,167,619	3%	1.07%	\$12,494	0.25%	0.13%	\$0.00	0.00%	0.12%	0.50%	\$5,838
MVSSX	Munder Veracity Small-Cap Value	R6	\$939,645	3%	1.13%	\$10,618	0.00%	0.00%	\$0.00	0.00%	0.00%	0.00%	\$0
FSSRX	Franklin Small Cap Growth	R	\$1,035,830	3%	1.55%	\$16,055	0.50%	0.20%	\$0.00	0.00%	0.00%	0.70%	\$7,251
FRSSX	Nuveen Real Estate Securities	R3	\$141,015	0%	1.50%	\$2,115	0.50%	0.25%	\$0.00	0.00%	0.00%	0.75%	\$1,058
RERCX	American Funds EuroPacific Growth	R3	\$4,445,794	12%	1.14%	\$50,682	0.50%	0.15%	\$0.00	0.00%	0.00%	0.65%	\$28,898
JFAMX	JPMorgan Emerging Markets Equity	A	\$98,797	0%	1.71%	\$1,689	0.25%	0.30%	\$0.00	first \$4M: 1.00% \$4M-\$10M: 0.75% \$10-\$50M: 0.50% over \$50M: 0.25% †	0.00%	0.63%	\$617
-	Prudential Day One IncomeFlex Target Balanced****	-	\$359,238	1%	1.97%	\$7,077	0.00%	0.00%	\$0.00	0.00%	0.60%	0.60%	\$2,155
PTTAX	PIMCO Total Return	A	\$3,989,573	11%	0.85%	\$33,911	0.25%	0.20%	\$0.00	0.00%	0.00%	0.45%	\$17,953
-	Guaranteed Income Fund***	-	\$12,905,448	36%	0.30%	\$38,716	0.00%	0.00%	\$0.00	0.00%	0.30%	0.30%	\$38,716
Total:			\$36,240,171	100%	0.83%	\$301,455						0.47%	\$168,898

▪ Fund for GoalMaker consideration.

† Finders fees generally do not apply to assets transferred to Prudential "in-kind".

	Non-Recurring ¹¹		Recurring ¹²		Combined ¹³	
	%Assets	Annual Amount (\$)	%Assets	Annual Amount (\$)	%Assets	Annual Amount (\$)
Investment Revenue Available to offset Recordkeeping & Administration	0.00%	\$0	0.47%	\$168,898	0.47%	\$168,898
Less Intermediary Commission	0.00%	\$0	0.00%	\$0	0.00%	\$0
Less Plan Reimbursement Agreement	0.00%	\$0	0.00%	\$0	0.00%	\$0
Less Communications/ERISA Budget	0.00%	\$0	-0.07%	(\$25,000)	-0.07%	(\$25,000)
Plus Billed Administrative Fees ¹⁰	0.00%	\$0	0.00%	\$0	0.00%	\$0
Net Revenue Available to offset Recordkeeping & Administration	0.00%	\$0	0.40%	\$143,898	0.40%	\$143,898
<i>(Plus event based fees if applicable)</i>						

Note: All values are annualized estimates based on the funds and estimates of assets listed on this page. Revenue, assets, and distribution or shareholder servicing agreements in effect as of the date of this disclosure.

Actual annual investment revenues may be higher or lower than the estimates shown here.

Footnotes:

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available the summary prospectus, contain complete information about the investment options available through your plan. Please call 1-877-PRU-2100 for a free prospectus and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available carefully before investing. It is possible to lose money when investing in securities.

Assumed Number of Plan Participants (active & deferred): **1,485**

(1) Expense Ratio / Contract Charge is the sum of the amounts listed under 12b-1 Fee, Sub-Accounting Fees, and Finders Fee plus three other amounts. One is the fund's management fee. Another is any "Other Expenses," which are amounts charged against the fund's assets by the fund's sponsor for certain of the fund's operating expenses. Examples of "Other Expenses" include legal fees, auditing expenses, compliance with governmental regulations, and mailing or postage. The third is any asset charge set forth in the group annuity contract's Expense Schedule (or, for the Prudential Protection Account, in the Expense Schedule under the administrative services agreement) that is deducted from a fund's investment return or gross credited interest rate. Although the Expense Schedule states the asset charge will not be used for Prudential's expenses in managing assets, we have included it as an "Investment Expense" or "Investment Revenue" in this document solely for ease of presentation.

(2) 12b-1 Fee is a charge to shareholders of a mutual fund to cover its shareholder servicing, distribution and marketing costs. The charges may be paid to broker/dealers or other intermediaries (such as Prudential) who provide services to the mutual fund.

(3) Sub Accounting Fee is a fee paid to providers (like Prudential) who perform the dual functions of (1) recordkeeping and administrative services to the plan and participant accounts and (2) consolidating trades and holdings of these accounts into one or more omnibus accounts to the mutual fund company. These fees are sometimes referred to as Sub-Transfer Agent Fees. The fees may be asset based or structured as flat, annual fees per account. The amount of Prudential's fee is set in an agreement between Prudential and the mutual fund company. The following formula is used to convert fees from per participant to percent of assets for purposes of this document: $[\text{Per Participant Revenue} \times \text{Fund Participants} / \text{Fund Assets}]$. For new business prospects the number of Fund Participants is estimated assuming 5 funds per participant using the formula: $[\text{Total Plan Participants} \times 5 \times \text{Fund Assets} / \text{Total Plan Assets}]$.

(4) Finders Fee is the amount paid to Prudential based on initial deposits and ongoing contributions to a mutual fund. Finders Fees generally do not apply to assets transferred to Prudential "in-kind". The amount of the fee is set in an agreement between Prudential and the Fund Company. For Gross Revenues Calculation we assume a 7.5% contribution rate.

(5) Additional Contribution to Recordkeeping includes all or part of other sources of Prudential's revenue in connection with the plan. Examples of this include any asset charge deducted from a fund's investment return or gross credited interest rate, an allocation of the management fee of mutual funds and institutional sub-advised funds managed by a Prudential affiliate.

(6) Estimated Investment Revenue Available to Offset Recordkeeping & Administration Expenses represents Prudential's estimate from the listed sources of the annualized ongoing revenue available to cover the expense of recordkeeping, administration and other services Prudential provides to the plan and participants.

(7) Intermediary Compensation represents an estimate of the amount to be paid by Prudential to the insurance agent or broker/dealer representing Prudential as compensation for placing the plan with Prudential. The estimate is based on the funds illustrated and other assumption set forth in this document, and may differ than actual compensation paid over the past 12 months.

(8) Plan Reimbursement Agreement is amounts Prudential makes available to the plan to pay the plan's qualified expenses (including the cost of any consultants hired by the plan) that are not provided by Prudential. The amount is set forth in an agreement between Prudential and the plan.

(9) Communication/ERISA Budget represents an annual budget available for qualified plan expenses. Unused budgeted amounts do not carry over from one calendar year to the next, but may be reallocated to participant accounts on a pro-rata basis.

(10) Billed Revenue represents an estimated annual amount of plan and/or participant paid fees to Prudential based on the current expense schedule (fee proposal for prospects). This amount does not include loan, distribution, withdrawal or QDRO fees, as these are based on individual utilization. For more information on these fees, please refer to your Group Annuity Contract Expense Schedule (fee proposal for prospects). This amount also does not include any asset charge set forth in the group annuity contract's Expense Schedule that is deducted from a fund's investment return or gross credited interest rate.

(11) Non-Recurring amounts may include the following items; estimated finders fee revenue on transferred assets paid by the mutual fund company to Prudential; the portion of first year intermediary commission, plan reimbursement, or communications/ERISA Budget that exceeds recurring amounts; and/or plan setup fees or other one-time or non-recurring billed administrative fees.

(12) Recurring amounts represent items that are ongoing.

(13) Combined amounts represent recurring items plus an average annualized estimate of non-recurring items.

* For Retail Mutual Funds and Alliance Funds only

** For the institutional sub-advised funds and collective trusts established by Prudential Retirement, Prudential does not receive any revenue from the funds' or trusts' investment managers. Prudential uses all of the amounts represented by the Expense Ratio to pay all costs of the funds and trusts, including fees paid to the funds' and trusts' investment managers. Prudential may terminate any of these managers at any time. Prudential Retirement's Manager of Managers funds are offered through separate accounts available under group annuity contracts issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, a Prudential Financial company.

*** There is no explicit fee for investment management or risk for this stable value product. Prudential declares in advance an interest rate on contract balances, subject to a minimum interest rate. Generally, if the investment return earned on the assets in the general account attributable to the contract exceeds the sum of interest credited on the balance held under the contract plus any reserve established for future interest crediting, such excess is retained by Prudential as compensation.

The Guaranteed Income Fund is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT and is backed by the full faith and creditworthiness of the issuer. Contributions made to the product are deposited in the issuer's general account. Principal and interest are fully guaranteed by the issuer. Past performance is not indicative of future performance.

**** In addition, Prudential charges a guarantee fee in connection with IncomeFlex. No portion of the guarantee fee is available for recordkeeping expenses.

Dryden, Jennison, QMA, and Strategic Partners are affiliates of Prudential.

The "Estimated Investment Revenue Available to Offset Recordkeeping and Administration Expenses" is expected to increase over time as the plan's assets grow. For the benefit of the plan, Prudential factors in this expected growth when making estimates such as this and setting forth a plan's actual fees. Reflecting this anticipated growth at the point of sale allows Prudential to offer pricing that is lower than would otherwise be required. For questions regarding this document, please contact your Prudential Retirement Relationship Manager or Sales Representative.

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